

pressure on interest rates. The idea is to lower finance costs, encourage more borrowing, and nudge investors into riskier investments. This provides breathing space, but little else. Consumers are already over their heads in debt. They aren't going to borrow more, neither will producers whose sales are slack.

High default rates are widening spreads. Many investors will still prefer to make a small gain on government securities rather than risk taking losses.

Reality beats theory. The reality is that not enough people have enough money. Why is this? Where does the money come from? Why isn't it coming?

The Fed doesn't create money we use in our bank accounts; the banks do. Most of this money is created when banks make loans. This is why the Fed can't control inflation or influence output and employment. Output and employment depend on demand. Demand depends on how much money people have or can borrow. Because banks create this money, they control demand.

If banks aren't lending, or borrowers aren't borrowing, new money isn't being created to replace the money removed when bank loans are paid, so the money supply shrinks.

The Fed can only put more money into the economy by buying assets from non-banks. No money goes into the economy when the Fed buys their assets. It's just a swap of one asset for another called reserves. Banks can't lend reserves into the economy.

The non-bank sellers of assets are mainly large institutional investors. They don't spend much of the money they receive; they reinvest it in other assets. That's their business.

But this churning of assets up into the stratosphere doesn't trickle down to Earth. The real economy of families and shops, small businesses, of roads and schools, that real economy is bypassed, and we know this. The money is not getting to where it's needed; and until it does, things can only get worse. None of the current policies work because of the way the current system is set up.

So here's how we fix it. We have to reclaim our constitutional power to issue money into the economy, unburdened by debt.

Last Congress I introduced legislation to do just that, and I'll be reintroducing it next week. Here's what this legislation does.

First, it ends the Fed's unaccountability by putting it under Treasury.

Second, it ends fractional reserve banking, ending the banks' ability to control demand in our economy.

And, third, it empowers our Nation to issue money directly into the economy to create jobs to rebuild our crumbling infrastructure unhindered by debt and interest payments, creating millions of new good-paying jobs. It gets the money to where it's needed

the most. It gets the economy going and keeps it going. It avoids debt and deficit. It primes the pump of the economy. It enables us to regain control of our destiny as a Nation.

This plan would not create inflation because it would reduce infrastructure costs. Lower costs means that prices can go down. Lower prices do not define inflation.

Real wealth will be created with new money. Infrastructure is enduring wealth, unlike the financial wealth of the stock market. If government borrows money created by banks for infrastructure, it's an interest-bearing debt paid for over a long time. But if government creates the money for infrastructure, spends it in the circulation, there's no debt or interest cost. The same amount of money is created in either case, adding to the money supply by exactly the same amount. This is also a way to save the free enterprise system from self-destruction.

The American people know what's going on in our economy. It's run by Wall Street for Wall Street. It's run by banks for banks. Unless we take a look at serious structural reforms, we are headed for a two-class society.

The ability to coin or create money is an inherent power under article I, section 8 of the United States Constitution. The NEED Act would enable government to invest in America.

This coming Sunday, we will observe the 10th anniversary of a terrible blow to our Nation's sense of security and confidence.

□ 1940

We will never forget September 11, 2001, but we also need to remember the enduring capacity of our Nation to bounce back from tragedy. We need to remember what this country is made of. America is made of vision and courage—the courage and vision of Washington, Jefferson, and Adams to put lives, fortunes, sacred honor on the line for the purpose of freedom and independence. We are the country of FDR and the New Deal, of John F. Kennedy and the New Frontier, of LBJ and the Great Society. We are a nation of charismatic leaders like Ronald Reagan and Bill Clinton who, agree with them or not, inspired a sense of optimism and confidence in America.

We need to remember who we are, and perhaps in that act of remembering, we'll regain our confidence; we'll regain our economic strength; we'll regain our ability to put people back to work; we'll help millions save their homes; we'll protect the retirement security of the elderly; we'll ensure that our children will be able to obtain a college education and a job when they graduate; we'll restore our public institutions and the services they provide.

We can do all of this and more, but we must ask that those who operate the engines of finance abandon their recklessness, their selfishness, and pledge allegiance to our Nation and its

people. We must demand that corporations pay a fair share of the tax. We must end the off-shoring of jobs and profits.

While some of our leaders, with trembling hands and nervous eyes, have focused abroad, our country is falling apart from within. America was never meant for decline. America was always meant for an upward, up-lit path. We must now correct our course. We must move away from trying to determine the fate of nations around the globe and focus on the fate of the one Nation that must matter to us more than all others, the United States of America.

Thank you.

#### WILKES GIRLS ALL-STARS FIRST TEAM FROM NORTH CAROLINA TO MAKE LITTLE LEAGUE WORLD SERIES

(Ms. FOXX asked and was given permission to address the House for 1 minute.)

Ms. FOXX. Mr. Speaker, today I want to congratulate the Wilkes County 11/12-year-old-girls All-Star softball team for their amazing and record-breaking season this year. They won 15 games in a row and became the first team from North Carolina to reach the World Series. Although they did not take the World Series title, their third-place finish and their victories over opponents from around the country and around the world on their journey to the semifinals proved that this is a remarkable team.

Their teamwork, sportsmanship, and character served to rally the entire Wilkes County community around them and saw them through their historic run for the World Championship of Little League Softball.

I want to congratulate the whole team, the coaches, and the dedicated parents who helped make this season one for the record books.

The Wilkes Girls All-Stars have inspired many and made their county proud. I hope to see them win their way back to the World Series again next year.

#### REGULATIONS AND JOB LOSS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Texas (Mr. CARTER) is recognized for 60 minutes as the designee of the majority leader.

Mr. CARTER. Mr. Speaker, we've all been back in our districts for the last month, and we've been talking to friends and neighbors back home about what America is truly concerned with, what is most important in the eyes of all Americans, and that is getting America back to work.

Our economy is stagnant. This administration is throwing up barriers, which is freezing assets because the folks that normally would invest in growth and hiring people are frightened about what's around the next corner, and they're sitting with all their money and they're not growing.